



Douglas A. Ducey, Governor  
Jami Snyder, Director

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December 17, 2019

The Honorable Douglas A. Ducey  
Governor of Arizona  
State Capitol  
1700 West Washington  
Phoenix, Arizona 85007

The Honorable Karen Fann  
Arizona State Senate  
1700 West Washington  
Phoenix, Arizona 85007

The Honorable Russell Bowers  
Speaker of the House  
Arizona House of Representatives  
1700 West Washington  
Phoenix, Arizona 85007

Dear Governor Ducey, President Fann, and Speaker Bowers:

In accordance with A.R.S. §36-3405, please find the enclosed report supplying programmatic and financial information related to the provision of behavioral health services. Do not hesitate to contact me at (602) 417-4458 if you have any questions or would like additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Snyder", is written over a light blue circular stamp.

Jami Snyder  
Director

***Arizona Health Care Cost Containment System  
Behavioral Health Services***

**ANNUAL REPORT  
FISCAL YEAR 2019**



**Douglas A. Ducey, Governor**

**Jami Snyder, Director**

Arizona Health Care Cost Containment System

**Submitted Pursuant to A.R.S. §36-3405 (A) (B) (C)**

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**PROGRAMMATIC AND FINANCIAL REPORT**

**Introduction**

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The Arizona Health Care Cost Containment System (AHCCCS) submits the following financial and programmatic annual report for State Fiscal Year 2019, pursuant to Arizona Revised Statute §36-3405(a)(b)(c). The report identifies the number of clients who received behavioral health services and reports programmatic financial expenditures.

This year's report of financial expenditures is based on an allocation methodology due to the service package integration that took place on October 1, 2018 where the managed care organizations coordinated the provision of physical and behavioral health care services. In FY 2019, the per member per month (pmpm) capitation payment changed to a single combined payment covering the full integrated services. The annual legislative appropriation also changed to reflect this integrated model and no longer separately appropriated behavioral health funding that was the basis for last year's annual report. The FY 2019 Title XIX and XXI Medicaid reported program and funding source expenditures are an allocation of total payments based on the behavioral health proportional component of the total pmpm capitation rate. All other reported programs and sources amounts are actuals.

## Expenditures

Tables 1 and 2 provide the FY2019 behavioral health expenditures. Expenditures are reported on a cash basis that can result in timing differences between the receipt of funds and actual cash disbursements.

Expenditures are categorized by appropriated program and fund source.

**Table 1: Statewide Expenditures by Funding Source FY 2019**

<b>Total Behavioral Health Services Expenditures by Funding Source FY 2019</b>		
<b>Funding</b>	<b>Amount Paid</b>	<b>Percentage</b>
General Fund - Medicaid	398,733,852	16.26%
Tobacco Tax Funds – Medically Needy Account	35,565,800	1.45%
Tobacco Tax Funds – Proposition 204 Protection Account	35,154,400	1.43%
TXIX and TXXI Medicaid Federal Grant Awards – AHCCCS Fund	1,743,227,346	71.06%
Non TXIX General Fund	96,360,878	3.93%
Substance Abuse Services Fund	2,250,200	0.09%
Federal Grant Funds	68,299,844	2.78%
County Funds	65,866,620	2.69%
SMI Housing Trust Fund	2,287,143	0.09%
Substance Use Disorder Funds	5,307,705	0.22%
Other (City of Phoenix CCARC & Liquor Service Fees)	73,235	0.00%
<b>Total</b>	<b>2,453,127,023</b>	<b>100.00%</b>

**Table 2: Statewide Expenditures by Program FY 2019**

<b>Total Behavioral Health Services Expenditures by Program FY 2019</b>		
<b>Funding</b>	<b>Amount Paid</b>	<b>Percentage</b>
Traditional Medicaid Services	1,053,119,340	42.93%
Proposition 204 Services	904,632,751	36.86%
ACA Adult Expansion	65,063,092	2.65%
CMDP	133,088,952	5.43%
KidsCare	18,809,023	0.77%
Medicaid Fee-for-Service	37,968,240	1.55%
Non TXIX Child	12,428,433	0.51%
Non TXIX SMI	152,776,977	6.23%
Non TXIX GMH/SA	47,381,738	1.93%
Non TXIX Crisis	16,349,040	0.67%
Non TXIX Prevention	11,509,437	0.47%
<b>Total</b>	<b>2,453,127,023</b>	<b>100.00%</b>

During FY 2019, behavioral health recipients received behavioral health services as depicted in the following table. Table 3 provides information on the number of members who were served under the following assumptions:

1. Member eligibility is broken out into TXIX/TXXI and Non-TXIX.
2. Member behavioral health category is broken out by Child and Comprehensive Medical and Dental Program (CMDP) members under 18 years of age and Seriously Mentally Ill (SMI) and General Mental Health/Substance Abuse (GMH/SA) adult members 18 years of age or older.
3. BHS "Served" in this report means that the member had at least one behavioral health service encounter or claim submitted within the reporting time frame.
4. Behavioral health service means any service with a primary diagnosis code that is behavioral health related or pharmacy claim that is behavioral health related, as defined by AHCCCS clinical criteria.

**Table 3: Clients Served in FY 2019**

Clients Served in FY 2019		
Note: The term "served" is defined as clients that had at least one BH encounter in FY 2019		
Eligibility	BH Category	Count
TXIX/TXXI	CHILD	158,324
	CMDP	20,701
	GMH /SA	320,725
	SMI	48,131
	<b>Total</b>	<b>547,881</b>
NON-TXIX	CHILD	5,914
	CMDP	-
	GMH /SA	29,879
	SMI	18,018
	<b>Total</b>	<b>53,811</b>
All Eligibilities	CHILD	164,238
	CMDP	20,701
	GMH /SA	350,604
	SMI	66,149
	<b>Total</b>	<b>601,692</b>